

PSJ15 Exh 64

August 2, 2010

To: Mike Gunning
From: Bonnie New
Re: July Monthly Report

Highlights

New Business:

Account	Product	Net Sales	Net Margin	NAM
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Lost Business:

Account	Product	Net Sales	Net Margin	NAM
Morris & Dickson	Hydromorphone	\$215,445	\$177,141	Bonnie New

Retail Highlights

NAM Accounts

Territory Budget FYTD – Nets Sales –88.50% – Net Margin 94.89%

Bartell Drugs – It appears that Anda is continuing to chargeback product to their source program versus the Bartell contract based on Cognos.

Bashas' – Our pricing was too high to compete with Qualitest pricing on HB/APAP, no opportunity to gain their business on these products.

Bi-Lo – No updates

Bi-Mart – There is not an increase in sales, it appears that Anda is not honoring the Bi-Mart contract.

Brookshire Brother – No updates

Dahl's – They are now an affiliate of Thrifty White. Under their agreement their customer numbers at Cardinal were changed. They now purchase off the Cardinal Alliance Program as an affiliate of Thrifty White. Their indirect contract that was setup through Cardinal was expired.

DMS Pharmaceuticals – Pending information regarding their long term care facilities.

EMED Mal – No updates

EMI Services - Account is setup pending approval from management

Frank W. Kerr – No updates

Giant Eagle – Pending signature is a terms sheet with the Naltrexone that is expected to be signed by mid August. Signature has been delayed due to vacations.

I told Greg Carlson that we would not be attending their pharmacy meetings this year. Ironically, they sent out a notice cancelling the meetings on July 15, 2010.

Kroger – The Kroger Co. overall Apr-Jun compliance was 94.76% with the addition of the Fentanyl Lozenge included in this quarter. Oxy/APAP and Hydromorphone compliance is down. I will work with Bob to ensure there is not a pricing issue with the Cardinal Source Program. In addition, I will work with Lisa Penn and Prema Shankar at Cardinal to ensure they know the demand of the contracted products at each division.

Hydromorphone family is still at risk with Kroger, I will meet with Bob on Aug. 3rd and expect it will be brought up.

Oxy ER as of 7/30 there were 583 bottles on hand at Cardinal.

Kroger 852 data is not available in Cognos yet.

July Kroger Pharmacy meetings – there were two for Columbus and one for the Cincinnati Divisions. Several pharmacists complained about the 7.5/325 and 10/325 Oxy/APAP having broken tablets. They said that they have been reporting these to Corporate Product Monitoring. I encouraged them to continue reporting so we can track this problem. There were several complaints about Cardinal sending competitor products on the Oxy/APAP products. I have supplied Cardinal with each division quarterly usage hoping they will stock for demand.

Columbus pharmacists said there were a couple of doctors in their area shut down. They also mentioned that they have prescriptions coming to them from as far as Florida. If they fill one then many more follow. They generally can find a valid reason for not filling these long distant prescriptions.

August pharmacy meetings – Cincinnati, Mid-South and Mid-Atlantic divisions

Lake Erie Medical DBA Quality Care Products – Since they do not do chargebacks with us, we discussed getting a list of their customers with DEA to have a report ran regarding their customers purchases of our products. A confidentially agreement has been signed and we are waiting for their complete list of DEA numbers.

Lewis Drug – No updates

Med-Fast – Aliquippa, PA – No Updates

Meijer – NACDS meetings are setup with Joe Muha.

Morris Dickson – We would not meet the competitive offer they had from Rhodes for Hydromphone 2mg, 4mg, and 8mg. We have lost their business on July 14; see net sales and margin above, units, 13,141 based on last 12 months per Cognos.

Promotion for Trade Show 5% off sales in month of Aug. They will submit sales out report for payment.

Attended their Trade Show on July 24, it was well attended. They had a booklet that needed to be signed by all vendors in order for them to enter in a drawing for an I-Pad.

Nash Finch – No updates

Schnucks – No updates, I am trying to get an appointment with Sarah Cope.

Spartan – I advised Karen that we would not be attending their pharmacy meeting in Sept.

Sales are down, I am in the process of updating their contract for the items that are not on the McKesson One Stop program due to a 8/5 expiration date.

Snyders – No Updates

SUPERVALU – NACDS meetings are setup with Scott Johnson and Dan Milovich.

Shipping delays of the Fentanyl Lozenge make it more challenging to gain Scott Johnson's confidence in our ability to supply products. We agreed that we would make them whole if they had to go to Teva for product. As of today, all orders except the 800mcg. Have shipped.

Thrifty White – Talked to Doug Rewerts he has known David Sinwell and Marilyn Aldrich from Dahl's for 20 years, thus the new affiliation.

TOPCO – No updates

HyGen – Pending authorization to proceed with this account.

Miscellaneous

Special Projects

Cognos Reports – The problem with the Actual vs. Budget reports in Cognos have been resolved.

Training

July 9th – Completed Kaplan EduNeering course - **E-mail and Corporate Communications**